

Blue Ridge Estates Homeowners' Association of Coconino County

16625 S. Desert Foothills Pkwy.

Phoenix, AZ 86048

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Email: BlueRidgeEstates@WeAreVision.com

RESOLVED, that the following **ASSESSMENT COLLECTION POLICY** shall be adopted effective immediately:

LATE FEE and INTEREST: A late fee equal to the greater of **\$15.00** or **10%** of the unpaid assessment amount may be charged to any account that shows an assessment not paid within **fifteen (15)** days of the due date. Any judgment entered in favor of the Association as a result of a small claims or civil suit shall accrue interest at the rate of **15%** per annum until paid in full.

Assessment Collection Schedule:

1. Written late notice will be sent to the property owner(s) on or after the **15th** day of the first unpaid assessment informing them that the account is delinquent and a late fee was applied. All letter fees are the responsibility of the property owner(s).
2. Written collection and intent to lien letter will be sent to the property owner(s) on or after the **75th** day of the first unpaid assessment informing them that the account is delinquent, a late fee was applied, and the account may be referred to the Association's collection agent for further action which may include a notice of lien being recorded against the property. All letter fees are the responsibility of the property owner(s).
3. Any account with an unpaid balance of assessments and/or other charges at least **105 days** past-due may be transferred to the Association's collection agent for commencement of collections and a notice of lien may be recorded. All fees and costs incurred are the responsibility of the property owner(s). At any time during this process the property owner(s) may request to enter into a payment plan for all outstanding assessments and fees. The Association may not release its lien until such time as all assessments, late fees, related collection costs and legal fees have been paid in full.
4. Any account with a balance of assessments and/or other charges at least **180 days** past-due may be referred for a small claims suit or further collection activity including, but not limited to, civil suit and/or foreclosure. All collection costs, legal fees, court costs, and any other charges incurred by the Association are the responsibility of the property owner(s).

Foreclosure Collection Procedure:

At the discretion of the Board of Directors, any account with a balance owed after foreclosure by a first mortgage holder may be referred to an outside collection agency, to small claims court or to the Association's attorney to obtain a personal judgment against the owner(s) of the lot whose responsibility it was to bring the account current at the time of foreclosure.

Payment Application and Waiver Requests:

Unless otherwise directed by the property owner(s) or in accordance with a payment plan, written stipulated agreement and/or judgment, payments will be applied to an account as follows (pursuant to Arizona Revised Statutes):

1. Past due assessments
2. Late Charges
3. Collection Fees (Demand Letter/Lien/Collection Agency/Skip Trace/Court Fees)
4. Legal Fees/Costs
5. Monetary Penalties/Certified Mail Fees

Any payment returned due to insufficient funds, stop payment, closed account, etc. will result in a service fee based on the current rate charged by the Association’s bank at the time the payment is returned.

The Board of Directors may decide to not consider a waiver request for late fees, lien fees, collection costs, fines, or attorney fees incurred on an account where the assessment was not paid in accordance with the Assessment Collection Policy through no fault of the Association or its agent.

Payment plans will be accepted under the following conditions:

Payments made without benefit of a properly executed payment plan will not be construed as a payment plan and collection activity may be initiated in accordance with the Assessment Collection Policy.

Late fees as provided in the Assessment Collection Policy will not be charged during the term of the payment plan if payments are received in accordance with the plan.

A minimum payment plan equal to one-twelfth of the account balance plus ongoing assessment installments will be accepted on a monthly basis. All other payment plans are subject to approval by the Board of Directors.

A lien may be filed and legal collection proceedings may be implemented upon default of a payment plan with no further notice to the property owner(s).

IN WITNESS WHEREOF, the undersigned have executed this consent as of 1/21/2022, 20 .

DocuSigned by:

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For the Board of Directors
Blue Ridge Estates Homeowners’ Association of Coconino County



Acceptance of Collection Process and Authorization for Representation

The Board of Directors for Blue Ridge Estates Homeowners' Association of Coconino County hereby affirms that at a duly called board meeting of the Association the attached collection process and fee schedule was adopted and approved through a majority vote of its directors.

This authorization includes, but is not limited to; contacting delinquent owners to request payment of assessments and related charges; the preparation, signing and recording of liens against individual or joint lots within the community for delinquent assessments and related charges; the preparation, signing, and filing of small claims complaints against owners in court for delinquent assessments and other charges; representing the Association at any court hearing that arises from a small claims action filed in the name of the Association; any other related or ancillary activities so directed by the Board of Directors as its duly authorized agent.

This authorization shall remain in effect concurrently with the valid management/agency contract between the Association and Vision Community Management and shall specifically authorize Mark Schmit, Kim Smith, Darin Fisher, and Cory Christians to perform these functions in accordance with A.R.S. §22-512.

DocuSigned by:

Mike Bourne

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Board member

President, Blue Ridge Estates HOA

Title

1/21/2022

Date



Collection Process & Fee Schedule-2021

TIMING AND ACTION

- 15 DAYS** - Initial Late Letter (sent by accounting)
75 DAYS - Lien Demand Letter (sent by accounting)
105+ DAYS - Account is referred to collection department (sent by accounting)

FEE

- Contractual Rate
 Contractual Rate
 No Charge

Collections- "Tier 1"

105+ DAYS **Collection Setup (1)/ Asset Analysis (2)** **\$75.00 (1)/ \$90.00 (2)/ \$5.00 monthly collection monitoring (3)**

This process includes account review to verify amounts owed, current mailing address and contact information, screening for bankruptcy and trustee sale, and entry of account information into a secure database. A phone call is made and e-mail sent to attempt immediate resolution of the account (1). If account is not paid in full or payment arrangements made within five business days an asset analysis will be completed which includes a review of the owner(s) credit report to determine the viability of collecting from them (2). Starting the month following the collection setup, every active collection account is charged a \$5.00 monthly monitoring fee until the account is brought current (3).

Collections- "Tier 2"

105+ DAYS **Lien Notice (1)/ Pre-Litigation Letter (2)** **\$150.00 (includes lien release) (1)/ \$45.00 (2),**

A notice of lien is recorded if the asset analysis reveals sufficient equity in the property to cover the debt owed (1). A final demand letter is sent to the owner with a copy of the lien and ledger via first class and certified mail informing them that if they fail to respond legal action may be taken against them after thirty days (2). Additional demand letters may be sent if the owner defaults on payment plan(s) established after the final demand letters are sent (see D below).

Collections- "Tier 3"

180+ DAYS **Small Claims Suit Filed for Judgment** **\$250.00 + filing fee + process server (1) / \$100.00 (2)/ \$125.00 (3),**
OR Stipulated Agreement OR Small Claims Hearing

A small claims suit is prepared, filed, and sent out for personal service to the homeowner(s) (1). An application for default (2) and request for judgment (3) will be filed to obtain default judgment or a stipulated agreement (\$90.00) will be prepared and signed by the homeowner(s) for voluntary entry of judgment with a payment plan. Court appearance may be necessary (\$100.00 per appearance) if the owner files an answer with the court disputing any part of the complaint.

180+ DAYS **Account forwarded to attorney** **\$30.00**

This **MAY** occur if the owner is represented by counsel and/or requests that the case be transferred to the civil division OR if the balance exceeds the small claims limit of \$3,500.00.

Collections- "Tier 4"

240+ DAYS **Certify Judgment and Record / Satisfy Recorded Judgment** **\$175.00 (includes filing & recording fees)**

Upon receipt of a signed judgment we will obtain a certified copy and record it with the appropriate county so that it becomes a lien against any property held by the owner within Arizona.

240+ DAYS **Earnings (1)/Non-Earnings Garnishment (2)** **\$150.00 (1)/\$100.00 (2) + filing fee + process server + bank fees**

If employment and/or banking information is verified we will prepare and file earnings (1) and/or non-earnings (2) garnishments.

240+ DAYS **Judgment Debtor Exam** **\$100.00 + filing fee + process server + hearing attendance (\$100.00 ea)**

If no employment or banking information is located we will prepare and file a petition with the court to conduct a debtor's exam.

OTHER ACTIONS THAT MAY OCCUR:

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| A. Payment Plan Monitoring (for non-collection accounts) | \$5.00 per month |
| B. Asset Analysis/Work Number Search (if not proceeding with Tiers 1 or 4) | \$90.00 (for a six-month period) |
| C. Lien Release (Non-Vision recorded) | \$65.00 (includes recording fee) |
| D. Additional demand letters (pre or post-judgment first class/certified) | \$30.00/\$45.00 each |
| E. Renewal of Judgment (Small Claims or Justice Court) | \$100.00 |
| F. Prepare, file and record satisfaction of Judgment | \$45.00 (Justice Court) \$100.00 (Superior Court) |

BANKRUPTCY- CHAPTER 7/13/Trustee Sale

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| G. Document BK notice/split account/monitor Chapter 7 | \$10.00 |
| H. File Proof of Claim-Chapter 7/13 | \$90.00 |
| I. Forward to Attorney (if claim is disallowed) | \$50.00 |
| J. Monitor Chapter 13 to completion | \$90.00 per year to conclusion (If proof of claim is filed-3-5 years) |
| K. Document and Monitor Notice of Trustee Sale | \$90.00 (Includes Referral to Attorney for Excess Proceeds or referral to Thunderbird Collections) |
| L. Prepare and submit claim to trustee for excess proceeds | \$45.00 (For trustee sales not monitored per K above) |

- All fees added to homeowner's delinquency balance when charged to the association
- Timing is approximate and will vary depending on association late dates, workload, court and individual response times
- Pricing to owner or association is subject to change after 30 day written notification to the association (typically occurs as a result of legislative/court fee updates)